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SIPDIS

STATE FOR EAP/TC, PM/DTCC AND ISN/MTR

PM/DTCC FOR BLUE LANTERN COORDINATOR RACHAEL-THERESE S. JOUBERT-LIN

E.O. 12958: N/A

TAGS: [ETTC](#) [KOMC](#) [TW](#)

SUBJECT: TAIWAN: RESULTS OF BLUE LANTERN END-USE CHECK ON  
APPLICATION 050208291

REF: STATE 04982

¶1. (U) Summary: Per reftel request, AIT/T contacted the consignee and visited the end-user, Seng-Feng Corp. Collected information shows the bona fides of the end user. End summary.

#### Foreign Consignees

¶2. (U) Mr. Albert Huang of Step Electronics told us that he received the order for 10 rotary joints (reftel) from another Taiwan company, Borntek, LTD. Step Electronics serves as a sole agent for Sage Laboratories in Taiwan.

¶3. (U) Ms. Anne Lee from Borntek explained to AIT/T that the company received the order from the end user, Seng Feng Corporation. As Step Electronics is the only agent in Taiwan selling such parts from Sage Laboratories, Borntek placed the order with Step Electronics. Ms. Lee shared the copy of the purchase order, dated 21 December 2009, which showed an order of 10 rotary joints from Borntek to Step Electronics.

¶4. (U) Both Step Electronics and Borntek stated they would not be involved in the receipt or processing of the subject parts. Subject parts will go directly to the end user, Seng Feng Corporation.

¶5. (U) Step Electronics has been in the business of importing and selling defense articles for 20 years, and Mr. Huang confirmed that he is familiar with the restrictions of the U.S.-origin defense articles.

#### Seng Feng Corporation

¶6. (U) Econoff visited Mr. Eric Lin of Seng Feng Corporation on 26 January 2010. As of early January 2010, the company had moved from its original office at No. 391, Chung Shan Rd., Hsinchu City to a new building, located at No. 169-27, Neu Pu S. Rd., Hsinchu City. Because of the recent move, there is still no landline phone connected. Mr. Lin's cellphone number is 0933-118-103.

¶7. (U) Seng Feng has been ordering USML articles for 2-3 years as part of its antennae design business. The company does not have another office. Before moving to its new facility, Seng Feng shared office space with three other companies, including Chin Yan, Skyline, and Kingtek. Chin Yan produces unmanned aerial vehicles (UAV); Skyline specializes in flight control computer systems; and Kingtek bids for business contracts and research projects from unspecified government entities. Seng Feng mainly works with Kingtek by providing design services for instruments used in receiving data from unmanned aerial vehicles (UAVs).

¶8. (U) Regarding parts mentioned in reftel, Seng Feng will use them in four identical instruments designed to receive data from UAVs employed to fly into typhoons. This collection of data will be used to analyze typhoon movement. The overall job is a two-year typhoon analysis project contracted by the Ministry of Economic Affairs. According to Mr. Lin, once Seng Feng finishes making the

instruments, they could work with many other entities, including the Central Weather Bureau and weather research college programs working on similar projects. When the instruments are finished, he, another engineer from his company, or a colleague from project partner Kingtek will transport the equipment to the worksite and will remain onsite to operate it. The four instruments will remain in the custody of Seng Feng or Kingtek employees and will be stored at either Seng Feng or Kingtek's facilities when not in use.

¶9. (U) Mr. Lin provided AIT/T a copy of the purchase order to Borntek, dated 19 December 2009. The quantity of the rotary joints matched the number mentioned in reftel.

¶10. (U) Seng Feng has also designed notebook antennae for Hewlett Packard, Dell, Asus, and Acer in the last two years. However, due to very low profit, Seng Feng has stopped doing business with these computer companies.

¶11. (U) Mr. Lin understands the U.S.-origin defense article restrictions. Seng Feng's new building is equipped with electronic locks on the main entrance, and alarm sensors in the storage room. Mr. Lin is one of four workers at the facility, all of whom have access to the storage and assembly areas of the building.

STANTON